



Program Summary

Paraguay's program is focused on combating corruption by strengthening the rule of law and building a transparent business environment. It aims to fight impunity and confront informality in the economic sector by improving the capacity of the judicial system to carry out investigations, process allegations of corruption, and strengthen its internal controls and disciplinary capabilities.

Threshold Status

Status.....Implementation, Year 1

Threshold Information

Total Amount.....\$34.65 million

Agreement Signed.....May 8, 2006

Country Information

Population.....6,158,259*

GNI Per Capita Income.....\$1,280*

Program Highlights

- The Finance Ministry conducted simulated purchases to detect firms not following local tax regulations, resulting in the suspensions of more than 70 businesses. The business suspensions received significant positive media coverage and have generated greater tax compliance overall.
- By amending administrative procedures, the costs associated with starting a business in Paraguay have been reduced from \$750 to \$250, and the number of days to start a business was halved (from 74 to 36). In order to further simplify the process of registering a business, the GOP has finalized a draft law which is presently under review by the government.
- The Finance Ministry Internal Investigative Unit and the Tax Service Investigative Unit have successfully reached their program-end targets in terms of cases investigated and properly presented to the Public Ministry.
- The judiciary has made significant progress in establishing a new framework for disciplinary and internal control matters. Key personnel were appointed to the judiciary's newly created Internal Control Office, and functions and procedures manuals were approved both for disciplinary and internal control systems.